



RAPID REPORTS

Agriculture, forestry and fisheries

1992 □ 15

ISSN 1017-5776

TRENDS IN THE EC AGRICULTURAL PRICE INDICES IN 1992

Results of forecasts¹⁾²⁾

Producer Prices of agricultural products (output):

- Strongest decrease recorded in real terms over the last decade (-6.4%)

Purchase prices of goods and services for current consumption in agriculture (input I):

- Increase in nominal terms (+2.6%), but a fall in real terms (-2.3%)

Purchase prices of goods and services contributing to agricultural investment (input II):

- Slight increase in real terms (+0.4%)

Comparison of trends in real output and input (I) prices:

- Negative net real price effect (-5.4 points) for the Community as a whole
- Negative net real price effect for all Member States except Ireland.

1) Agricultural output and input price trends in 1992 were forecast, in consultation with the Community's Member States, on the basis of price indices. The forecasts presented in the Rapid Report reflect the information available at 30 November 1992. Available output data for Portugal are not published here, since this publication compares output and input price forecasts and the latter are not yet available.

2) Data for the Federal Republic of Germany as constituted prior to 3 October 1990.

1. EC index of producer prices of agricultural products (output prices)

According to forecasts available at the end of November, the index of *producer prices of agricultural products* is expected to fall by -1.3% in nominal terms for the Community as a whole¹⁾ (excluding Portugal) (see Table 1) in 1992 relative to the previous year, whilst the *real* agricultural producer price index will fall by -6.4% in 1992. This would be the strongest real price decrease recorded (records available began in 1980), and a decline at nearly double the rate of 1991 (-3.3%), resulting in a cumulative drop of -19.9% since the base year (1985) with respect to the corresponding price index. The drop in the real producer prices for 1992 at the Community level (EUR 11) principally resulted from the decrease of -11.2% for crop products ; the real price of animals and animal products was relatively unchanged (-1.2%) in 1992 from the previous year.

Overall changes in real producer prices for 1992 in each Member State are displayed in Table 2. Real price changes referred to throughout this section are obtained by deflating nominal prices by the Consumer Price Index. All Member States showed a decrease in real output prices, varying from -0.4% in Ireland to -10.5% in Spain. There were five Member States (Spain, Greece, France, Netherlands and Luxembourg) who experienced greater real price falls than the Community average (EUR 11).

The drop in the real price for crop products (-11.2%) contrasted with the relatively constant real price levels of the previous three years. The real price of crop products fell in all Member States, whilst the real price for animals and animal products remained constant in most countries, only varying beyond a 2.0% change in three Member States (Spain -6.5%, Luxembourg and Greece -2.9%). Sharp declines in real prices are expected for most crop products at the Community level: most importantly cereals (-8.8%), fresh vegetables (-6.5%), fresh fruit (-16.7%) and root crops (-14.5%). The real price of slaughtered animals increased slightly (+0.8%), mostly due to pig prices (+3.0%), but this was outweighed by the real price decline in animal products, particularly milk (-2.7%).

2. EC indices of the purchase prices of the means of agricultural production (input prices).

In 1992, the index of the *purchase prices of goods and services for current consumption* in agriculture (input 1) is expected to increase in the Community as a whole (excluding Portugal) by +2.6% in nominal terms (see Table 3). In real terms, this price index is expected to decrease by -2.3% for the Community as a whole (EUR 11) in 1992, which would be at a similar rate to the previous year but beneath the average annual rate of decline recorded since the base year (-3.2%). The cumulative drop in the real purchase price for intermediate products (-20.2%) since the base year of the index, is almost the same as that of real agricultural producer prices.

A decline in *real* input I prices is expected in all Member States. While most Member States are likely to experience falls similar to the EUR 11 figure, stronger decreases are forecast for Spain (-5.3%) and Ireland (-3.3%).

Real prices of the main intermediate consumption goods at the Community level (EUR 11) are forecast to decline: feedingstuffs (-2.6%), fertilisers (-6.1%) and energy (-4.1%). There were small increases only for repairs and maintenance of plant (+1.6%) and general expenses (+0.3%).

1) A nominal price increase in the producer prices of agricultural products of +6.5% has been forecast for the new Länder of the Federal Republic of Germany.

The index of *purchase prices of goods and services contributing to agricultural investment* is expected to rise by +0.4% in real terms. As last year, Spain is forecast to have the strongest real price decline in the Input II index (-4.3%), with, in contrast, Italy forecast to have the largest increase (+2.3%).

3. Comparison of the forecast trend of the EC index of producer prices of agricultural products with that of the EC index of purchase prices of goods and services for current consumption (input I).

In 1992 the deflated output prices for EUR 11 are expected to fall by -6.4% whilst the deflated input prices are expected to decline by -2.3%. The purchases of goods and services for current consumption in agriculture account for only 45% of the value of agricultural output (measured in 1985). Therefore, a net price effect has been calculated to reflect the impact of real output price and, to a lesser extent, input I price changes on the difference between sales of agricultural products and purchases of intermediate consumption expressed as a proportion of sales. It is therefore forecast that the net effect of these price changes will be a decline of -5.4 points for the Community as a whole. This is more strongly negative for agriculture than the -1.9 points of the year before.

The net price effect for each Member State is shown in column 5 in order of increasing value. With the exception of Ireland (+1.2 points) the net price effect is negative in all Member States. The most negative net price effect is for Greece (-9.5 points) and only four other Member States are also likely to experience a more negative figure than the average for the Community (EUR 11) ; these countries are Spain (-8.1 points), France (-7.1), the Netherlands (-6.6) and Luxembourg (-5.7).

Member State	Rates of change of real output prices (%)	Rates of change of real input I prices (%)	Input as a share of output in 1985	Corrected rates of change of real input I prices (%) 2 x 3	Net price effect (points) 1 - 4
	1	2	3	4	5
GR	-9.9	-1.5	0.264	-0.4	-9.5
E	-10.5	-5.3	0.447	-2.4	-8.1
F	-7.7	-1.3	0.437	-0.6	-7.1
NL	-7.6	-1.9	0.530	-1.0	-6.6
L	-6.5	-2.0	0.397	-0.8	-5.7
I	-5.1	-2.1	0.310	-0.7	-4.4
D	-4.6	-1.8	0.644	-1.2	-3.4
UK	-3.1	-2.1	0.567	-1.2	-1.9
B	-3.2	-2.5	0.568	-1.4	-1.8
DK	-1.4	-1.4	0.519	-0.7	-0.7
IRL	-0.4	-3.3	0.480	-1.6	1.2
EUR 11	-6.4	-2.3	0.454	-1.0	-5.4

Technical note

The EC agricultural price indices (output and input) are available in Eurostat's CRONOS data bank ("PRAG" domain) in both nominal and deflated form. By using deflated indices it is possible to eliminate the distortions in the nominal indices caused by different inflation rates in the Member States. The nominal agricultural price indices are deflated by means of the consumer price index. The terms "deflated" and "real" are used synonymously.

Table 1 : EC Index of producer prices of agricultural products :
Rates of change of the price indices for EUR 11 (in %) ⁽¹⁾
Tableau 1 : Indice CE des prix à la production des produits agricoles :
Taux de variation des indices des prix pour EUR 11 (en %) ⁽¹⁾

	1989 1988	1990 1989	1991 1990	1992 ⁽²⁾ 1991
NOMINAL INDICES / INDICES NOMINAUX				
TOTAL	8.5	1.4	3.1	-1.3
CROP PRODUCTS / PRODUITS VEGETAUX	7.0	7.4	7.7	-5.4
Cereals and rice / Céréales et riz	1.1	-1.9	4.8	-3.7
Root crops / Plantes sarclées	13.4	1.7	6.8	-10.3
Fruit / Fruits	2.9	16.3	20.0	-10.6
Fresh vegetables / Légumes frais	4.4	14.6	5.3	1.0
Wine must and wine / Moût et vin	20.5	14.2	-3.7	-3.0
Olives and olive oil / Olives & huile d'olive	15.8	14.1	28.8	-14.7
Flowers / Fleurs	-2.9	3.6	9.4	-5.3
ANIMALS & ANIMAL PRODUCTS / ANIMAUX & PRODUITS ANIMAUX	9.8	-3.9	-1.6	3.5
Calves / Veaux	11.6	-8.5	-3.1	6.4
Cattle excluding calves / Bovins sans veaux	6.2	-7.8	-6.1	4.3
Pigs / Porcs	23.4	-4.6	1.3	8.2
Sheep and lambs / Moutons et agneaux	4.1	-3.2	-4.5	11.1
Poultry / Volailles	2.1	1.3	0.7	0.5
Milk / Lait	7.6	-2.9	-1.3	1.6
Eggs / Oeufs	11.7	1.7	1.6	-5.3
DEFLATED INDICES / INDICES DEFLATES				
TOTAL	2.8	-5.1	-3.3	-6.4
CROP PRODUCTS / PRODUITS VEGETAUX	0.6	-0.2	0.3	-11.2
Cereals and rice / Céréales et riz	-4.7	-8.0	-0.8	-8.8
Root crops / Plantes sarclées	8.2	-4.9	0.8	-14.5
Fruit / Fruits	-4.4	7.6	11.8	-16.7
Fresh vegetables / Légumes frais	-2.3	5.5	-1.3	-6.5
Wine must and wine / Moût et vin	14.4	8.3	-8.9	-7.8
Olives and olive oil / Olives & huile d'olive	6.4	1.5	14.9	-22.2
Flowers / Fleurs	-5.8	-1.2	3.2	-9.9
ANIMALS & ANIMAL PRODUCTS / ANIMAUX & PRODUITS ANIMAUX	4.7	-9.2	-6.6	-1.2
Calves / Veaux	6.9	-13.9	-8.7	0.9
Cattle excluding calves / Bovins sans veaux	1.4	-12.2	-10.4	0.3
Pigs / Porcs	18.4	-9.2	-3.2	3.0
Sheep and lambs / Moutons et agneaux	-3.3	-11.5	-12.0	4.6
Poultry / Volailles	-3.6	-5.1	-5.2	-4.5
Milk / Lait	2.6	-8.2	-6.0	-2.7
Eggs / Oeufs	6.1	-4.6	-4.7	-10.4

(1) On the base / sur la base 1985 = 100

(2) Forecasts / Prévisions

Table 2 / Tableau 2

EC Index of producer prices of agricultural products : Rates of change of the price indices by Member State (in %) ⁽¹⁾
 Indice CE des prix à la production des produits agricoles : Taux de variation des indices des prix par Etat membre (en %) ⁽¹⁾

			B	DK	D ⁽²⁾	GR	E	F	IRL	I	L	NL	UK	EUR11
Total	Nominal indices / Indices nominaux	a)	10.9	7.7	8.8	17.6	7.2	7.7	5.1	7.0	9.8	8.2	7.7	8.5
		b)	-5.6	-7.5	-5.0	20.2	0.6	-0.2	-11.4	4.7	-2.0	-5.6	1.3	1.4
		c)	-2.4	-2.0	-0.9	19.7	-0.2	0.2	-3.1	5.6	-7.1	2.9	-1.1	3.1
		d)	-0.8	0.9	-0.8	4.6	-5.0	-5.0	3.2	-0.1	-3.5	-4.0	0.7	-1.3
	Deflated indices / Indices déflatés	a)	7.6	2.8	5.9	3.4	0.4	4.0	0.9	0.7	6.2	7.0	-0.1	2.8
		b)	-8.7	-9.8	-7.5	-0.2	-5.7	-3.4	-14.3	-1.7	-5.5	-7.8	-7.4	-5.1
		c)	-5.5	-4.3	-4.2	0.2	-5.8	-2.9	-6.0	-0.7	-9.9	-1.1	-6.5	-3.3
		d)	-3.2	-1.4	-4.6	-9.9	-10.5	-7.7	-0.4	-5.1	-6.5	-7.6	-3.1	-6.4
Crop products Produits végétaux	Nominal indices / Indices nominaux	a)	4.8	2.9	1.5	17.6	4.7	8.2	6.7	5.6	-1.7	2.2	6.7	7.0
		b)	2.2	-5.2	-0.1	21.6	6.8	3.6	-7.4	8.6	-1.8	0.7	5.6	7.4
		c)	1.2	1.0	4.1	23.3	1.5	4.0	5.9	9.6	5.3	6.7	1.8	7.7
		d)	-9.5	-2.7	-10.3	1.7	-8.5	-10.1	-1.8	-2.5	-20.6	-13.1	-4.6	-5.4
	Deflated indices / Indices déflatés	a)	1.6	-1.8	-1.3	3.4	-1.9	4.4	2.5	-0.6	-4.9	1.1	-1.0	0.6
		b)	-1.2	-7.6	-2.7	0.9	0.1	0.2	10.3	2.0	-1.9	-1.7	-3.6	-0.2
		c)	-2.0	-1.5	0.6	3.2	-4.2	0.7	2.7	3.0	2.1	2.5	-3.9	0.3
		d)	-11.7	-4.9	-13.8	-12.4	-13.7	-12.6	-5.2	-7.3	-23.0	-16.4	-8.2	-11.2
Animal products Produits animaux	Nominal indices Indices nominaux	a)	14.1	10.0	11.7	17.7	10.6	7.3	4.9	8.9	12.3	11.4	8.2	9.8
		b)	-9.3	-8.4	-6.7	16.9	-7.3	-3.9	-11.9	-0.7	-2.8	-8.8	-1.1	-3.9
		c)	-4.4	-3.4	-2.8	10.7	-2.7	-3.8	-4.3	-0.4	-9.4	0.8	-2.8	-1.6
		d)	3.4	2.6	3.3	12.8	0.2	2.5	3.9	3.8	-0.2	1.9	4.1	3.5
	Deflated indices / Indices déflatés	a)	10.7	5.0	8.7	3.5	3.5	3.6	0.8	2.5	8.6	10.2	0.4	4.7
		b)	-12.3	-10.8	-9.2	-3.0	-13.2	-7.0	-14.7	-6.7	-6.2	-11.0	-9.6	-9.2
		c)	-7.3	-5.6	-6.1	-7.3	-8.1	-6.8	-7.3	-6.4	-12.2	-3.1	-8.2	-6.6
		d)	0.9	0.3	-0.7	-2.9	-6.5	-0.4	0.3	-1.4	-2.9	-1.9	0.2	-1.2

⁽¹⁾ On the base / sur la base 1985 = 100

a = $\frac{1989}{1988}$

b = $\frac{1990}{1989}$

c = $\frac{1991}{1990}$

d = $\frac{1992}{1991}$ ⁽³⁾

⁽²⁾ Data for the Federal Republic of Germany in its boundaries prior to 3 October 1990, including West Berlin
 Données pour la République Fédérale d'Allemagne, dans sa situation territoriale avant le 3 octobre 1990, Berlin Ouest inclus.

⁽³⁾ Forecasts / Prévisions

**Table 3 : EC Indices of purchase prices of means of agricultural production :
Rates of change of the price indices for EUR 11 (in %) ⁽¹⁾**

**Tableau 3 : Indices CE des prix d'achat des moyens de production agricole :
Taux de variation des indices des prix pour EUR 11 (en %) ⁽¹⁾**

	<u>1989</u> 1988	<u>1990</u> 1989	<u>1991</u> 1990	<u>1992⁽²⁾</u> 1991
NOMINAL INDICES / INDICES NOMINAUX				
01 GOODS & SERV.CURRENTLY CONS.IN AGRICULT. BIENS & SERV.DE CONS.COURANTE DE L'AGRI.	4.8	0.9	3.1	2.6
1. Seeds / Semences	5.8	4.4	2.1	-0.5
2. Animals for rearing / Animaux d'élevage	19.2	-6.9	-1.0	4.4
3. Energy / Energie	7.3	13.8	8.3	3.1
4. Fertilizers / Engrais	1.9	0.8	2.4	-0.6
5. Plant protection products / Produits de protection des cultures	1.6	4.5	5.9	2.2
6. Animal feedingstuffs / Aliments des animaux	4.4	-3.7	0.6	1.9
7. Small tools / Petit outillage	4.4	4.4	5.9	3.2
8. Maintenance and repair of plant / Entretien et réparation du matériel	5.6	5.7	6.2	6.5
9. Maintenance and repair of buildings / Entretien & réparation des bâtiments d'exploitation	6.4	6.8	6.3	4.4
10. Veterinary services / Services vétérinaires	3.3	3.9	4.3	2.5
11. General expenses / Frais généraux	3.5	3.5	5.5	4.5
02 GOODS & SERV.CONTR.TO AGRICULT.INVESTM./ BIENS & SERV.CONC.AUX INVEST.DE L'AGRIC.	5.9	5.9	5.6	5.6
12. Machinery / Machines	5.4	4.5	3.9	5.3
13. Buildings / Ouvrages	6.4	8.7	8.7	5.9
DEFLATED INDICES / INDICES DEFLATES				
01 GOODS & SERV.CURRENTLY CONS.IN AGRICULT. BIENS & SERV.DE CONS.COURANTE DE L'AGRI.	-0.2	-4.7	-2.5	-2.3
1. Seeds / Semences	0.7	-1.2	-3.0	-5.0
2. Animals for rearing / Animaux d'élevage	14.5	-11.7	-5.9	0.0
3. Energy / Energie	2.5	6.6	0.5	-4.1
4. Fertilizers / Engrais	-2.9	-4.5	-2.9	-6.1
5. Plant protection products / Produits de protection des cultures	-3.0	-0.5	1.2	-1.9
6. Animal feedingstuffs / Aliments des animaux	-0.8	-9.4	-4.9	-2.6
7. Small tools / Petit outillage	-0.9	-1.6	0.3	-1.4
8. Maintenance and repair of plant / Entretien et réparation du matériel	0.3	-0.1	0.9	1.6
9. Maintenance and repair of buildings / Entretien & réparation des bâtiments d'exploitation	0.8	0.6	1.0	-0.1
10. Veterinary services / Services vétérinaires	-1.6	-1.1	-0.3	-1.5
11. General expenses / Frais généraux	-1.1	-1.7	0.5	0.3
02 GOODS & SERV.CONTR.TO AGRICULT.INVESTM./ BIENS & SERV.CONC.AUX INVEST.DE L'AGRIC.	0.3	-0.2	-0.3	0.4
12. Machinery / Machines	0.1	-0.9	-1.3	0.5
13. Buildings / Ouvrages	0.2	1.4	1.6	0.2

⁽¹⁾ On the base / sur la base 1985 = 100

⁽²⁾ Forecasts / Prévisions

Table 4 / Tableau 4

EC Indices of purchase prices of the means of agricultural production : Rates of change of the price indices by Member State (in %) ⁽¹⁾
 Indices CE des prix d'achat des moyens de production agricole : Taux de variation des indices des prix par Etat membre (en %) ⁽¹⁾

			B	DK	D ⁽²⁾	GR	E	F	IRL	I	L	NL	UK	EUR11
Goods and services currently consumed in agriculture Biens et services de consommation courante de l'agriculture	Nominal indices / Indices nominaux	a)	3.0	3.9	5.7	11.5	2.4	4.2	5.4	4.9	3.4	3.8	5.8	4.8
		b)	-4.3	-1.8	-1.7	19.4	0.7	-0.6	0.2	0.8	1.3	-3.3	3.8	0.9
		c)	0.3	-0.8	2.2	24.2	1.9	1.0	0.3	1.5	1.9	0.5	3.7	3.1
		d)	-0.1	0.8	2.2	14.4	0.4	1.5	0.2	3.1	1.1	1.9	1.8	2.6
	Deflated indices / Indices déflatés	a)	-0.1	-0.8	2.8	-2.0	-4.0	0.6	1.3	-1.2	0.0	2.6	-1.8	-0.2
		b)	-7.4	-4.4	-4.3	-0.8	-5.7	-3.8	-3.0	-5.3	-2.3	-5.6	-5.2	-4.7
		c)	-2.8	-3.1	-1.2	4.0	-3.8	-2.2	-2.8	-4.6	-1.2	-3.4	-2.0	-2.5
		d)	-2.5	-1.4	-1.8	-1.5	-5.3	-1.3	-3.3	-2.1	-2.0	-1.9	-2.1	-2.3
of which : animal feedingstuffs dont : aliments pour animaux	Nominal indices / Indices nominaux	a)	1.5	4.6	3.0	18.7	0.8	4.7	6.8	4.3	2.8	5.3	5.4	4.4
		b)	-8.7	-8.4	-8.5	14.2	-2.0	-7.3	-1.9	-2.0	-1.8	-10.5	0.8	-3.7
		c)	-1.3	-6.5	-1.8	19.3	-0.9	-1.8	-3.1	1.7	-1.7	-0.8	1.9	0.6
		d)	0.5	1.3	2.0	6.4	-0.9	3.3	0.3	2.6	-1.8	2.0	1.7	1.9
	Deflated indices / Indices déflatés	a)	-1.5	-0.1	0.2	4.3	-5.6	1.1	2.6	-1.8	-0.6	4.2	-2.2	-0.8
		b)	-11.8	-10.8	-10.9	-5.2	-8.2	-10.3	-5.0	-8.0	-5.3	-12.6	-7.9	-9.4
		c)	-4.3	-8.7	-5.1	-0.1	-6.4	-4.8	-6.0	-4.4	-4.6	-4.7	-3.7	-4.9
		d)	-1.9	-0.9	-2.0	-8.4	-6.5	0.4	-3.1	-2.6	-4.1	-1.8	-2.2	-2.6
Goods and services contributing to agricultural investment Biens et services concourant aux investissements de l'agriculture	Nominal indices Indices nominaux	a)	5.1	4.7	2.6	13.6	7.3	4.2	4.8	6.3	6.8	3.8	7.1	5.9
		b)	3.7	5.1	3.9	14.4	5.2	3.6	3.8	6.7	9.0	4.7	5.7	5.9
		c)	3.6	3.3	4.7	17.9	1.3	3.5	2.6	5.8	3.9	5.6	6.0	5.6
		d)	3.1	2.4	4.5	11.6	1.5	3.8	1.7	7.7	3.8	4.3	4.0	5.6
	Deflated indices / Indices déflatés	a)	1.9	-0.1	-0.2	-0.1	0.5	0.5	0.7	0.0	3.3	2.6	-0.7	0.3
		b)	0.2	2.4	1.2	-4.9	-1.4	0.2	0.5	0.2	5.1	2.2	-3.4	-0.2
		c)	0.4	0.9	1.2	-1.3	-4.4	0.3	0.5	-0.6	0.8	1.5	0.1	-0.3
		d)	0.6	0.1	0.4	-3.9	-4.3	0.8	-1.8	2.3	0.6	0.4	0.1	0.4

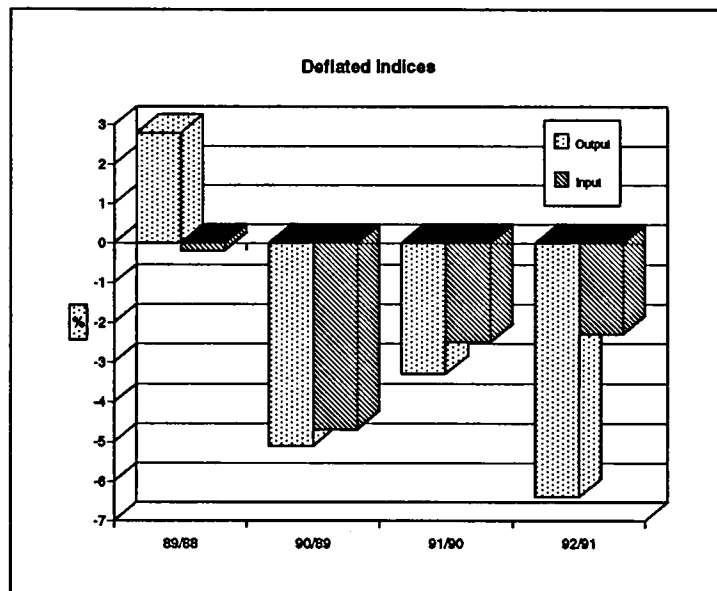
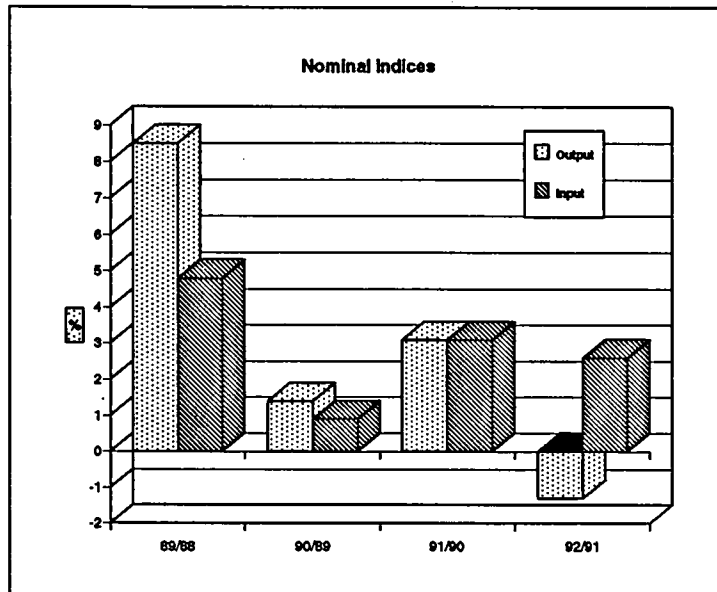
⁽¹⁾ On the base / sur la base 1985 = 100 a = $\frac{1989}{1988}$ b = $\frac{1990}{1989}$ c = $\frac{1991}{1990}$ d = $\frac{1992}{1991}$ ⁽³⁾

⁽²⁾ Data for the Federal Republic of Germany in its boundaries prior to 3 October 1990, including West Berlin
 Données pour la République Fédérale d'Allemagne, dans sa situation territoriale avant le 3 octobre 1990, Berlin Ouest inclus.

⁽³⁾ Forecasts / Prévisions

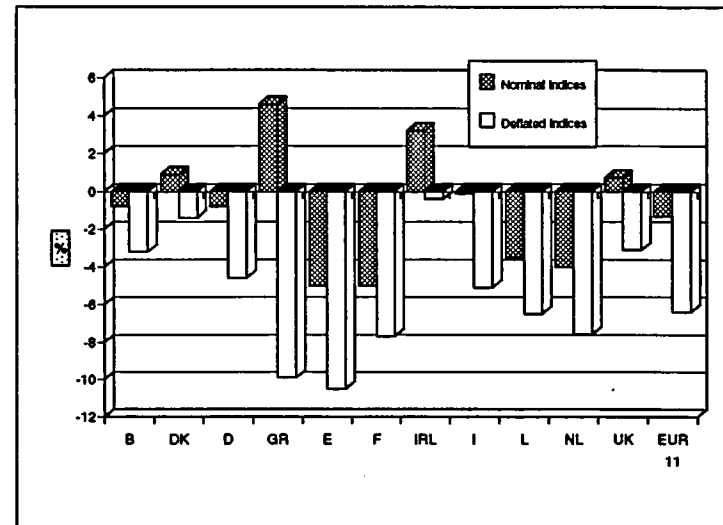
TRENDS IN THE EC AGRICULTURAL PRICE INDICES (OUTPUT AND INPUT)
1992 (*)

Rates of change of the agricultural price indices
EUR 11



EC indices of producer prices of agricultural products
Rates of change of the price indices by Member State

1992 (*)



EC indices of purchase prices of goods and services currently consumed in agriculture
Rates of change of the price indices by Member State

1992 (*)

